



Cap-and-Trade Auction Proceeds Greenhouse Gas Reduction Fund

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Auction Proceeds: Overview

- Proceeds from state-owned allowances sold at Cap-and-Trade auctions
 - First auction held November 2012
 - Over \$650M generated
- Expenditures must further the purposes of AB 32
 - GHG emission reductions
 - Other co-benefits
- Focus on disadvantaged communities

Auction Proceeds: Investment Plan

- SB 1018, AB 1532, and SB 535 set framework
- First three-year Investment Plan completed and submitted to Legislature in May 2013
- Multi-agency coordination and extensive public process to develop Investment Plan

(<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm>)

Auction Proceeds: Funds Proposed for Expenditure

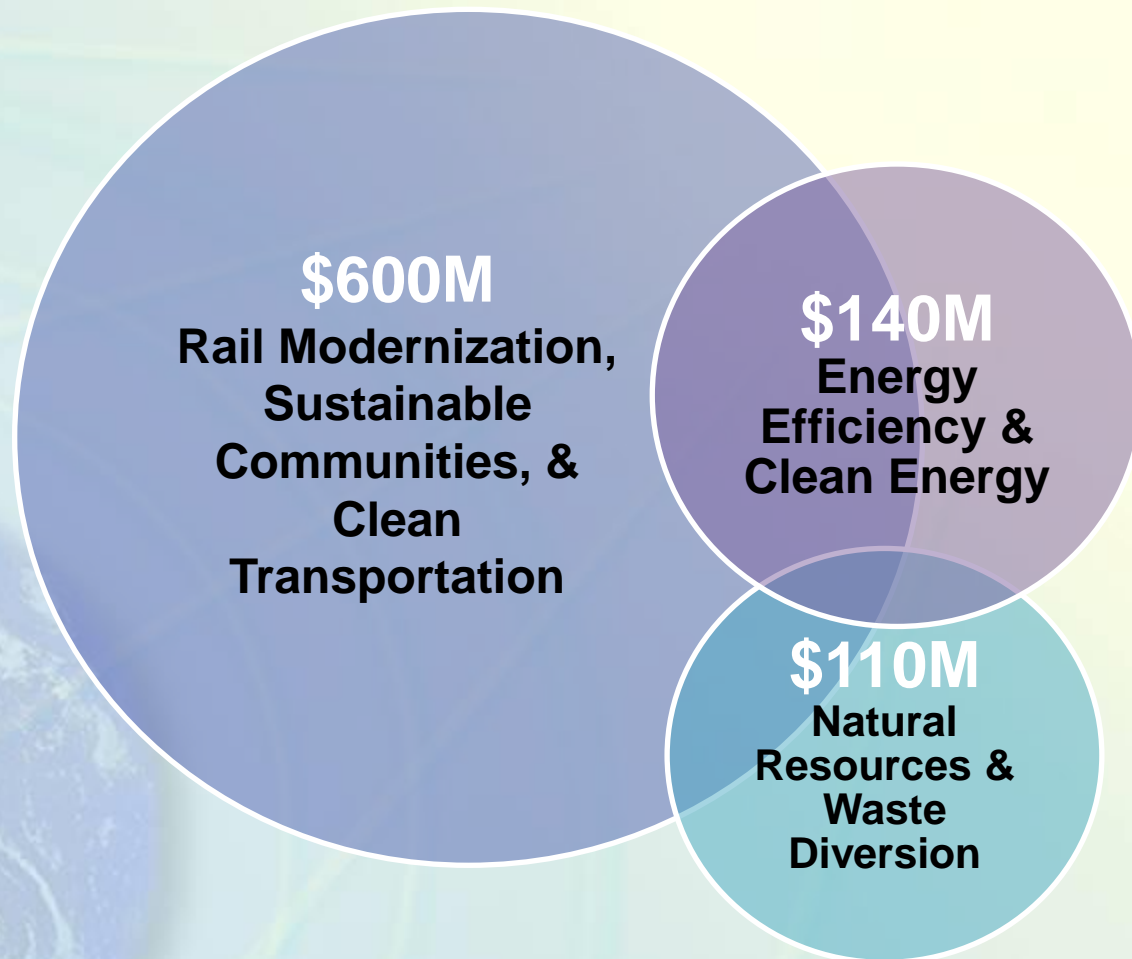
\$850M total for FY 2014-15 expenditure includes:

- State proceeds from remaining FY 2013-14 auction, beyond \$500M commitment for loan
- State proceeds from four auctions scheduled in FY 2014-15
- \$100M in loan repayment from General Fund

Auction Proceeds: FY 2014-15 Proposal

- Balanced portfolio aligned with the Investment Plan and existing State climate strategies
 - Projects that reduce GHG emissions
 - Mix of near-term benefits and longer-term transformative changes
 - Focus on disadvantaged communities
 - Co-benefits for air and water quality, jobs, mobility, climate resiliency

Auction Proceeds: FY 2014-15 Proposal



Auction Proceeds: Rail Modernization Proposal

Rail Modernization- \$300M

- Grow transit ridership, improve mobility, and reduce emissions

Projects include:

- Initial operating section of high-speed rail
- Local and regional connectivity with high-speed rail

Auction Proceeds: Transportation Sector Proposal

Sustainable Communities & Transportation- \$300M

- Benefit communities and reduce vehicle miles traveled

Projects include:

- SB 375 projects: planning, public transit, infrastructure, transit-oriented development, active transportation
- Zero and near-zero emission passenger and freight vehicles and technologies

Auction Proceeds: Energy Sector Proposal

Energy Efficiency and Clean Energy - \$140M

- Benefit communities and improve energy efficiency

Projects include:

- Weatherization and solar in disadvantaged communities
- Energy efficiency improvements for state buildings
- Bio-energy from digesters
- Improved nitrogen management in agricultural soils
- Improved water use efficiency

Auction Proceeds: Natural Resources Proposal

Natural Resources and Waste Diversion - \$110M

- Sequester carbon and protect natural resources

Projects include:

- Urban forests in disadvantaged communities
- Wetlands restoration and conservation
- Fire risk reduction and carbon sequestration in forests
- Organics and other waste diversion

Auction Proceeds: Anticipated Funding Flow

